

### **REMARKS**

This is a full response to the outstanding non-final Office Action, dated April 21, 2004.

#### **1. Interview Summary**

The Applicant thanks the Examiner for the courtesy extended to Applicant's Counsel in an April 7, 2004 telephone conference regarding the case. In the telephone conference, the Examiner stated that another Restriction Requirement would be imposed regarding two groups of claims. Specifically, the Examiner alleged that claims 1-22 and 26-27 (Group I) purportedly claim an invention that is different from the invention of claim 23 (Group II). The Applicant's Counsel orally elected claims 1-22 and 26-27 (Group 1).

Further, the merits of the rejections of the case were discussed. The Examiner stated that, despite Applicant's February 4, 2004 Amendment And Response to the December 23, 2003 Office Action, the Examiner still believes that the claims, as written at that point, read on the prior art. However, the Examiner stated that the art does not teach a system or method that checks whether a bidder's bid is too high for a specific position of priority or ranking that a bidder wishes to maintain in an auction. The Examiner agreed that if this point was clarified in the claims, the claims would be allowable.

#### **2. Present Status Of The Claims**

After the Election Of Claims explained above, and entry of the amendments made herein, claims 1-22 and 26-27 remain pending in the Application. The Applicant has amended independent claims 1 and 11 as discussed with the Examiner in the April 7, 2004 telephone conference. Additionally, the Applicant herewith submits remarks specifically responding to the rejections raised by the Examiner in the pending Office Action. It is believed that no new matter has been added to the Application.

### **3. Summary Of The Rejections**

The pending Office Action maintains the rejection of pending claims 1-2, 11-13 and 22 under 35 U.S.C. §102 over U.S. Patent No. 5,835,896 (*Fisher*), and also rejects claims 26-27 under 35. U.S.C. §102 over *Fisher*. The Office Action further rejects withdrawn claim 23 under 35. U.S.C. §102 over *Fisher*.

The Office Action also maintains the rejection of claims 4-8 and 14-20 under 35 U.S.C. §103(a) as being unpatentable over *Fisher* in view of U.S. Patent No. 6,269,361 (*Davis*), and the rejection of claims 9-10 and 21-22 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of U.S. Patent No. 6,601,044 (*Wallman*).

Applicant respectfully traverses these rejections and submits the following remarks in support of allowance of the present application.

### **4. Response To Rejections Of Claims 1-3, 11-13, 22 and 26-27 Under 35 U.S.C. §102.**

For brevity, and because the Applicant's arguments against the rejection of claims 1-3, 11-13, 22 and 26-27 as being anticipated by *Fisher* are equally applicable for all of these claims, the Applicant uses independent claim 1 as illustrative of the response for all of currently pending claims 1-3, 11-13, 22 and 26-27. Furthermore, the traversal is made with the understanding that independent claim 11 and dependent claims 2-3, 12-13, 22 and 26-27 are also patentably distinct over the prior art and may include additional features that, beyond those recited in claim 1, provide further, separate, and independent bases for patentability.

The Applicant maintains its arguments stated in the February 4, 2004 Amendment and Response to the December 23, 2003 Office Action. However, the Applicant takes note of the Examiner's comment in the Office Action, and in the April 7, 2004 telephone interview, that the prior art fails to teach "certain features of Applicant's invention...(i.e., a system or method which checks for whether a bidder's bid is too high for a specific position of priority or ranking that a bidder wishes to maintain in an auction)."

Thus, independent claims 1 and 11 have been amended to recite a system or method for:

checking for whether the first bid is higher than needed to maintain the selected position of priority that the first bidder wishes to maintain in the auction, and

if the first bid is higher than needed to maintain the selected position of priority that the first bidder wishes to maintain in the auction,  
automatically reducing the first bid to a minimum which allows the bidder to keep the selected position of priority.

In light of the above, Applicant believes that the §102 rejection of independent claims 1 and 11 has been traversed, and amended claims 1 and 11 are in condition for allowance. Dependent claims 2-3, 12-13, 22 and 26-27 depend from claim 1 and 11 respectively, and therefore those claims are in a condition for allowance as well. However, Applicant reserves the right to argue independent bases for patentability for claims 2-3, 12-13, 22 and 26-27 should it be necessary.

**5. Response To Rejections Of Claims 4-8 And 14-20 Under 35 U.S.C. §103(a).**

The Office Action contains rejections of dependent claims 4-8 and 14-20 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of *Davis*. Claims 4-8 depend from claim 1, and claims 14-20 depend from claim 11. Therefore, each of claims 4-8 and 14-20 contain the limitations of claims 1 and 11 respectively. Although, claims 4-8 and 14-20 may include additional features that, beyond those recited in claims 1 and 11, provide further, separate, and independent bases for patentability, claims 4-8 and 14-20 are allowable for at least the same reasons that claims 1 and 11 are allowable. However, Applicant reserves the right to argue independent bases for patentability for claims 4-8 and 14-20 should it be necessary.

**6. Response To Rejections Of Claims 4-8 And 14-20 Under 35 U.S.C. §103(a).**

The Office Action contains rejections of dependent claims 9-10 and 21-22 under 35 U.S.C. §103(a) as unpatentable over *Fisher* in view of *Wallman*. Claims 9-10 depend from claim 1, and claims 21-22 depend from claim 11. Therefore, each of claims 9-10 and 21-22 contain the limitations of claims 1 and 11 respectively. Although, claims 9-10

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and 21-22 may include additional features that, beyond those recited in claims 1 and 11, provide further, separate, and independent bases for patentability, claims 9-10 and 21-22 are allowable for at least the same reasons that claims 1 and 11 are allowable. However, Applicant reserves the right to argue independent bases for patentability for claims 9-10 and 21-22 should it be necessary.


**CONCLUSION**

Applicant has made an earnest and bona fide effort to clarify the issues before the Examiner and to place this case in condition for allowance. In view of the foregoing discussions, it is clear that the cited art, individually or in combination, does not teach all of the elements of any claim of the present invention. Thus, the claimed invention is patentably distinct over the prior art. Therefore, reconsideration and allowance of all of claims 1-22 and 26-27 is believed to be in order, and an early Notice of Allowance to this effect is respectfully requested.

If the Examiner should have any questions concerning the foregoing, the Examiner is invited to telephone the undersigned attorney at (310) 712-8311. The undersigned attorney can normally be reached Monday through Friday from about 9:30 AM to 5:30 PM Pacific Time.

Respectfully submitted,

Dated: July 21, 2004

  
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